## PM-USA
## FIRST QUARTER PERFORMANCE
## W/E 3/11/94

- PM-USA quarter to date volume increased slightly to 6.1 billion units above O.B. primarily as a result of lower than projected payback from year end excess and above normal McLane shipments.

- PM-USA's weekly shipments of 3.8 billion units was about even with last week and above projection.

- McLane purchased 127 million units during the past week, approximately 400 million units below its allocation. McLane purchases over the past two weeks were approximately 700 million units below its allocation.
    - McLane's purchases for the week continue to be skewed to the Southeast, due to higher demand from increased traffic in this geography.

- Industry volume was 9.2 billion units for the second straight week, influenced by continued speculative purchases by the trade. Company volumes were virtually unchanged, with Liggett declining the most (-18.5%) versus last week.

- PM-USA's industry share decreased -0.3 share points from last week to 41.3%, though during the past 13 weeks, its share reached 44.4%, a 0.8 share point gain from the prior 13 weeks.

- PM-USA advised direct customers that they are permitted to purchase up to four additional weeks of product to satisfy their LIFO needs. Subsequent shipments will be adjusted to reflect these forward purchases.
    - Shipments must be designated for LIFO and ordered 2023656595

Source: https://www.industrydocuments.ucsf.edu/docs/nhpk0000

# BENCHMARKS - TOTAL US

## SHIPMENTS 13 WEEK MOVING

| | Benchmarks | 13 Weeks Ending 11-Mar | Current vs. Benchmark |
|---|---|---|---|
| Philip Morris | 42.0 | 44.4 | 2.4 Favorable |
| Marlboro | 24.9 | 26.6 | 1.7 Favorable |
| OPB | 7.8 | 8.0 | 0.2 Favorable |
| Virginia Slims | 2.2 | 2.5 | 0.3 Favorable |
| Benson & Hedges | 2.5 | 2.7 | 0.2 Favorable |
| Merit | 2.3 | 2.5 | 0.2 Favorable |
| Parliament | 0.6 | 0.7 | 0.1 Favorable |
| Basic-Share of Discount | 14.2 | 14.8 | 0.6 Favorable |
| Private Label-Share of Market | 8.5 | 7.0* | 1.5 Favorable |
| C-Store Pack Price Lowest Discount** | $1.34 | $1.34 | $0.00 Favorable |

*Reflects most current data for three months ending February 1994.

**Reflects a change in pricing data source from Market Decisions to Nielsen.

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Ship (13wm) trigger hh

Source: https://www.industrydocuments.ucsf.edu/docs/nhpk0000

**SHIPMENTS**
**(To All Direct Accounts)**

| COMPANY | PM | RJR | B&W | American | Lorillard | Liggett |
|---|---|---|---|---|---|---|
| 13 wk Base Dec. 10,1993 | 43.59 | 27.71 | 11.65 | 7.54 | 6.81 | 2.68 |
| March 11, 1994 (13wm) | 44.37 | 28.00 | 11.03 | 7.30 | 6.92 | 2.37 |
| | **0.79** | **0.29** | **(0.62)** | **(0.24)** | **0.11** | **(0.31)** |

| CATEGORY | Premium | Discount |
|---|---|---|
| 13 wk Base Dec. 10,1993 | 66.98 | 33.02 |
| March 11, 1994 (13wm) | 66.55 | 33.45 |
| | **(0.43)** | **0.43** |

| PM MAJOR BRANDS | Marlboro | PM OPB | V. Slims | B & H | Merit | Parliament |
|---|---|---|---|---|---|---|
| 13 wk Base Dec. 10,1993 | 26.33 | 8.32 | 2.35 | 2.69 | 2.39 | 0.66 |
| March 11, 1994 (13wm) | 26.59 | 7.98 | 2.45 | 2.68 | 2.47 | 0.66 |
| | **0.26** | **(0.35)** | **0.10** | **(0.02)** | **0.08** | **0.00** |

| PM BRANDED DISCOUNTS | Basic | Cambridge | Bristol | Alpine |
|---|---|---|---|---|
| 13 wk Base Dec. 10,1993 | 4.52 | 1.77 | 0.23 | 0.41 |
| March 11, 1994 (13wm) | 4.94 | 1.80 | 0.21 | 0.36 |
| | **0.42** | **0.02** | **(0.02)** | **(0.05)** |

| PM PRIVATE LABEL | PM |
|---|---|
| 13 wk Base Dec. 10,1993 | 1.91 |
| March 11, 1994 (13wm) | 1.92 |
| | **0.01** |

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Source: https://www.industrydocuments.ucsf.edu/docs/nhpk0000

INDUSTRY SHIPMENTS WERE COMPARABLE WEEK-TO-WEEK. LIGGETT POSTED THE LARGEST % CHANGE (-18.5%) VERSUS WEEK AGO AND OVER THE LAST 13 WEEKS (-12%).

# WEEKLY VOLUME
## 3/11 VS 3/4

| | 3/11/94 | 3/4/94 | 2/25/94 | DIFF VS. PREV. WEEK | % CHANGE |
|---|---|---|---|---|---|
| INDUSTRY | 9,199 | 9,243 | 8,946 | (44) | -0.5% |
| PM | 3,801 | 3,840 | 3,892 | (39) | -1.0% |
| RJ REYNOLDS | 2,693 | 2,671 | 2,559 | 22 | 0.8% |
| B & W | 1,084 | 1,081 | 1,026 | 3 | 0.3% |
| LORILLARD | 713 | 717 | 657 | (4) | -0.6% |
| AMERICAN | 690 | 667 | 620 | 23 | 3.4% |
| LIGGETT | 216 | 265 | 190 | (49) | -18.5% |

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MER CHANGES 3/11 VS 3/4

Source: https://www.industrydocuments.ucsf.edu/docs/nhpk0000

# PRELIMINARY WEEKLY VOLUME AND SHARE

## W/E 3/11/94

### WEEK

| | VOLUME | DIFF VS 1993 | % CHANGE VS 1993 | SHARE | DIFF VS 1993 | FCST | VOLUME DIFF VS FCST | % CHANGE VS FCST |
|---|---|---|---|---|---|---|---|---|
| INDUSTRY | 9,199 | 911 | 11.0% | | | 8,733 | 466 | 5.3% |
| PHILIP MORRIS | 3,801 | 631 | 19.9% | 41.32 | 3.07 | 3,733 | 68 | 1.8% |
| R.J. REYNOLDS | 2,693 | -226 | -7.7% | 29.28 | -5.94 | 2,583 | 110 | 4.3% |
| B&W | 1,084 | 283 | 35.4% | 11.79 | 2.12 | 1,007 | 77 | 7.7% |
| LORILLARD | 713 | 81 | 12.7% | 7.75 | 0.12 | 655 | 58 | 8.8% |
| AMERICAN | 690 | 142 | 25.9% | 7.50 | 0.89 | 575 | 115 | 20.0% |
| LIGGETT | 216 | 0 | -0.1% | 2.35 | -0.26 | 180 | 36 | 20.0% |

| | DISCOUNT | | | PREMIUM | | |
|---|---|---|---|---|---|---|
| | VOLUME | SHARE | %CONT. | VOLUME | SHARE | %CONT. |
| INDUSTRY | 3,172 | 34.48 | | 6,027 | 65.52 | |
| PHILIP MORRIS | 847 | 26.71 | 22.3% | 2,954 | 49.02 | 77.7% |
| R.J. REYNOLDS | 1,110 | 34.99 | 41.2% | 1,583 | 26.27 | 58.8% |
| B&W | 642 | 20.24 | 59.2% | 442 | 7.34 | 40.8% |
| LORILLARD | 27 | 0.87 | 3.9% | 685 | 11.37 | 96.1% |
| AMERICAN | 382 | 12.04 | 55.4% | 308 | 5.11 | 44.6% |
| LIGGETT | 163 | 5.13 | 75.3% | 53 | 0.88 | 24.7% |

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Source: https://www.industrydocuments.ucsf.edu/docs/nhpk0000

# PRELIMINARY VOLUME AND SHARE
## W/E 3/11/94

### TOTAL INDUSTRY YEAR TO DATE

| | VOLUME | DIFF VS 1993 | % CHANGE VS 1993 | SHARE | DIFF VS 1993 | VOLUME FCST | VOLUME DIFF VS FCST | VOLUME % CHANGE VS FCST |
|---|---|---|---|---|---|---|---|---|
| INDUSTRY | 90,364 | 21,419 | 31.1% | | | 82,784 | 7,580 | 9.2% |
| PHILIP MORRIS | 39,112 | 13,721 | 54.0% | 43.28 | 6.46 | 33,048 | 6,064 | 18.3% |
| R.J. REYNOLDS | 26,107 | 1,656 | 6.8% | 28.89 | -6.57 | 25,695 | 412 | 1.6% |
| B&W | 10,072 | 2,947 | 41.4% | 11.15 | 0.81 | 10,015 | 57 | 0.6% |
| LORILLARD | 6,701 | 1,383 | 26.0% | 7.42 | -0.30 | 6,517 | 184 | 2.8% |
| AMERICAN | 6,367 | 1,571 | 32.7% | 7.05 | 0.09 | 5,716 | 651 | 11.4% |
| LIGGETT | 1,986 | 137 | 7.4% | 2.20 | -0.48 | 1,793 | 193 | 10.8% |

### DISCOUNT YEAR TO DATE

| | VOLUME | DIFF VS 1993 | % CHANGE VS 1993 | SHARE | DIFF VS 1993 |
|---|---|---|---|---|---|
| INDUSTRY | 30,275 | -632 | -2.0% | 33.50 | -11.33 |
| PHILIP MORRIS | 7,990 | -1,432 | -15.2% | 26.39 | -4.09 |
| R.J. REYNOLDS | 10,955 | -1,516 | -12.2% | 36.19 | -4.17 |
| B&W | 6,060 | 1,152 | 23.5% | 20.02 | 4.14 |
| LORILLARD | 284 | -77 | -21.4% | 0.94 | -0.23 |
| AMERICAN | 3,454 | 999 | 40.7% | 11.41 | 3.47 |
| LIGGETT | 1,529 | 241 | 18.7% | 5.05 | 0.88 |

### PREMIUM YEAR TO DATE

| | VOLUME | DIFF VS 1993 | % CHANGE VS 1993 | SHARE | DIFF VS 1993 |
|---|---|---|---|---|---|
| INDUSTRY | 60,090 | 22,051 | 58.0% | 66.50 | 11.33 |
| PHILIP MORRIS | 31,123 | 15,153 | 94.9% | 51.79 | 9.81 |
| R.J. REYNOLDS | 15,152 | 3,172 | 26.5% | 25.22 | -6.28 |
| B&W | 4,012 | 1,796 | 81.0% | 6.68 | 0.85 |
| LORILLARD | 6,417 | 1,460 | 29.5% | 10.68 | -2.35 |
| AMERICAN | 2,914 | 572 | 24.4% | 4.85 | -1.31 |
| LIGGETT | 457 | -104 | -18.5% | 0.76 | -0.71 |

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Source: https://www.industrydocuments.ucsf.edu/docs/nhpk0000

# 13WM AVERAGE BY COMPETITOR
# W/E 3/11/94

| | VOLUME | DIFF VS PRIOR 13 WKS | % CHANGE VS PRIOR 13 WKS | SHARE | DIFF VS PRIOR 13 WKS |
|---|---|---|---|---|---|
| **INDUSTRY** | **9,278** | **-43** | **-0.5%** | | |
| PHILIP MORRIS | 4,117 | 55 | 1.3% | 44.37 | 0.79 |
| R.J. REYNOLDS | 2,598 | 16 | 0.6% | 28.00 | 0.29 |
| B&W | 1,024 | -62 | -5.7% | 11.03 | -0.62 |
| LORILLARD | 677 | -25 | -3.6% | 7.30 | -0.24 |
| AMERICAN | 642 | 7 | 1.1% | 6.92 | 0.11 |
| LIGGETT | 220 | -30 | -12.0% | 2.37 | -0.31 |

## DISCOUNT

| | VOLUME | DIFF VS PRIOR 13 WKS | % CHANGE VS PRIOR 13 WKS | SHARE OF CAT. | DIFF VS PRIOR 13 WKS |
|---|---|---|---|---|---|
| **INDUSTRY** | **3,103** | **26** | **0.8%** | **33.45** | **0.43** |
| PHILIP MORRIS | 862 | 30 | 3.6% | 27.79 | 0.75 |
| R.J. REYNOLDS | 1,084 | 42 | 4.1% | 34.94 | 1.09 |
| B&W | 613 | -50 | -7.5% | 19.74 | -1.79 |
| LORILLARD | 27 | 1 | 5.8% | 0.88 | 0.04 |
| AMERICAN | 346 | 14 | 4.1% | 11.14 | 0.35 |
| LIGGETT | 170 | -12 | -6.8% | 5.49 | -0.45 |

## PREMIUM

| | VOLUME | DIFF VS PRIOR 13 WKS | % CHANGE VS PRIOR 13 WKS | SHARE OF CAT. | DIFF VS PRIOR 13 WKS |
|---|---|---|---|---|---|
| **INDUSTRY** | **6,175** | **-68** | **-1.1%** | **66.55** | **-0.43** |
| PHILIP MORRIS | 3,255 | 24 | 0.8% | 52.71 | 0.97 |
| R.J. REYNOLDS | 1,514 | -27 | -1.7% | 24.52 | -0.16 |
| B&W | 411 | -12 | -2.9% | 6.66 | -0.12 |
| LORILLARD | 650 | -27 | -3.9% | 10.53 | -0.31 |
| AMERICAN | 296 | -7 | -2.3% | 4.79 | -0.06 |
| LIGGETT | 50 | -18 | -26.1% | 0.80 | -0.27 |

| | 1994 BENCHMARK | 13WM ACTUAL | DIFF. | BENCHMARK GUIDELINE |
|---|---|---|---|---|
| PM-USA: | 42.00 | 44.37 | 2.37 | FAVORABLE |
| MARLBORO SHARE OF INDUSTRY | 24.90 | 26.59 | 1.69 | FAVORABLE |
| BASIC SHARE OF DISCOUNT | 14.20 | 14.76 | 0.56 | FAVORABLE |

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Source: https://www.industrydocuments.ucsf.edu/docs/nhpk0000

# Philip Morris USA

## PM-USA 1994 YTD SHIPMENT PERFORMANCE
## (through March 11)

Units in Billions

| | Actual | ECST | Diff. |
|---|---|---|---|
| 1Q-to-date | 39.1 | 33.0 | 6.1 |

| Explanation | UNIT CONTRIBUTION |
|---|---|
| • Less payback due to lower year end excess (2.8 vs. 4.0) | 1.2 |
| • McLane shipments | 2.2 |
| • Increased shipments to Michigan based wholesalers in anticipation of a May 1 state excise tax increase | 0.8 |
| • Other direct account speculative purchases | 0.7 |
| • Changes in takeaway, promotional units, etc. | 1.2 |

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Source: https://www.industrydocuments.ucsf.edu/docs/nhpk0000

# Philip Morris USA

**PM SHIPMENTS TO MCLANE HAVE BEEN AT REDUCED LEVELS FOR THE PAST TWO WEEKS. MCLANE SHIPMENTS TO RETAILERS HAVE INCREASED OVER THE PAST FOUR WEEKS.**

## TOTAL PM VOLUME MCLANE

(millions of cigarettes)

| Week ending | PM shipped to McLane | McLane shipped to Retailers | Difference |
|---|---|---|---|
| 1/7/94 | 510.1 | 411.5 | 98.6 |
| 1/14 | 105.5 | 477.0 | -371.5 |
| 1/21 | 135.4 | 426.8 | -291.4 |
| 1/28 | 378.6 | 415.0 | -36.4 |
| 2/4 | 1,945.0 | 431.9 | 1,513.1 |
| 2/11 | 773.1 | 425.5 | 347.6 |
| 2/18 | 540.1 | 445.8 | 94.3 |
| 2/25 | 522.9 | 461.6 | 61.3 |
| 3/4 | 209.5 | 475.5 | -266.0 |
| 3/11 | 108.6 | 482.6 | -374.0 |

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All volumes exclude ten Sam's Clubs in Michigan purchasing directly from PM.

* Includes approximately 400 million units from previous week's allocation.

Source: https://www.industrydocuments.ucsf.edu/docs/nhpk0000

## PM-USA WEEKLY PERFORMANCE

| | 12/24 | 12/31 | 1/7 | 1/14 | 1/21 | 1/28 | 2/4 | 2/11 | 2/18 | 2/25 | 3/4 | 3/11 | 1Q OB WEEKLY TARGET |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| MARLBORO | 3,001 | 2,854 | 1,955 | 1,878 | 1,935 | 2,358 | 3,470 | 2,597 | 2,498 | 2,332 | 2,289 | 2,236 | 2,173 |
| B&H | 286 | 284 | 185 | 189 | 184 | 216 | 347 | 271 | 310 | 243 | 239 | 237 | 216 |
| MERIT | 281 | 268 | 185 | 191 | 191 | 226 | 323 | 230 | 234 | 205 | 201 | 198 | 206 |
| V.SLIMS | 275 | 248 | 185 | 185 | 183 | 219 | 321 | 236 | 232 | 214 | 213 | 203 | 202 |
| PARLIAMENT | 80 | 68 | 44 | 52 | 51 | 56 | 74 | 61 | 66 | 54 | 63 | 62 | 60 |
| OTHER PREMIUM | 22 | 25 | 16 | 18 | 17 | 18 | 25 | 20 | 20 | 19 | 19 | 18 | 19 |
| CANADIAN | 1 | 0 | 0 | 0 | 1 | 0 | 3 | 1 | 1 | 0 | 0 | 0 | 3 |
| TOTAL PREMIUM | 3,945 | 3,747 | 2,570 | 2,513 | 2,562 | 3,093 | 4,562 | 3,416 | 3,361 | 3,067 | 3,024 | 2,954 | 2,879 |
| CAMBRIDGE | 203 | 177 | 131 | 136 | 131 | 142 | 174 | 169 | 159 | 188 | 179 | 219 | 163 |
| ALPINE | 44 | 35 | 27 | 27 | 27 | 29 | 34 | 36 | 33 | 32 | 33 | 38 | 38 |
| BUCKS | 4 | 4 | 3 | 3 | 2 | 3 | 3 | 4 | 3 | 3 | 3 | 3 | 3 |
| FVB | 235 | 297 | 169 | 142 | 138 | 145 | 190 | 171 | 175 | 164 | 161 | 152 | 176 |
| BASIC | 738 | 515 | 338 | 345 | 383 | 460 | 501 | 461 | 450 | 414 | 416 | 413 | 450 |
| BRISTOL | 24 | 20 | 19 | 18 | 14 | 18 | 21 | 21 | 20 | 20 | 20 | 19 | 19 |
| PLAYERS 25 | 4 | 4 | 3 | 4 | 5 | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 3 |
| TOTAL DISCOUNT | 1,252 | 1,052 | 690 | 675 | 700 | 800 | 927 | 866 | 844 | 825 | 816 | 847 | 852 |
| TOTAL PM-USA | 5,197 | 4,799 | 3,260 | 3,188 | 3,262 | 3,893 | 5,489 | 4,282 | 4,205 | 3,892 | 3,840 | 3,801 | 3,731 |

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Source: https://www.industrydocuments.ucsf.edu/docs/nhpk0000

## PM-USA WEEKLY PERFORMANCE

| | 12/24 | 12/31 | 1/7 | 1/14 | 1/21 | 1/28 | 2/4 | 2/11 | 2/18 | 2/25 | 3/4 | 3/11 | 1Q OB WEEKLY TARGET |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| MARLBORO | 29.28 | 29.15 | 25.97 | 23.62 | 24.33 | 26.07 | 30.88 | 27.27 | 26.08 | 26.07 | 24.77 | 24.31 | 24.98 |
| B&H | 2.80 | 2.90 | 2.45 | 2.38 | 2.31 | 2.39 | 3.09 | 2.84 | 3.24 | 2.72 | 2.58 | 2.58 | 2.49 |
| MERIT | 2.74 | 2.74 | 2.46 | 2.40 | 2.40 | 2.50 | 2.87 | 2.41 | 2.44 | 2.29 | 2.17 | 2.15 | 2.37 |
| V.SLIMS | 2.68 | 2.53 | 2.46 | 2.32 | 2.30 | 2.42 | 2.86 | 2.48 | 2.42 | 2.40 | 2.30 | 2.21 | 2.32 |
| PARLIAMENT | 0.78 | 0.69 | 0.59 | 0.65 | 0.64 | 0.62 | 0.65 | 0.64 | 0.69 | 0.60 | 0.68 | 0.67 | 0.69 |
| OTHER PREMIUM | 0.21 | 0.25 | 0.21 | 0.23 | 0.21 | 0.20 | 0.23 | 0.21 | 0.21 | 0.21 | 0.20 | 0.20 | 0.22 |
| CANADIAN | 0.01 | 0.00 | 0.00 | 0.00 | 0.02 | 0.00 | 0.02 | 0.01 | 0.01 | 0.00 | 0.00 | 0.00 | 0.03 |
| TOTAL PREMIUM | 38.50 | 38.26 | 34.14 | 31.60 | 32.21 | 34.20 | 40.60 | 35.86 | 35.09 | 34.29 | 32.70 | 32.12 | 33.10 |
| CAMBRIDGE | 1.98 | 1.81 | 1.75 | 1.71 | 1.65 | 1.57 | 1.54 | 1.76 | 1.65 | 2.09 | 1.93 | 2.37 | 1.87 |
| ALPINE | 0.43 | 0.36 | 0.36 | 0.34 | 0.34 | 0.32 | 0.30 | 0.38 | 0.35 | 0.35 | 0.36 | 0.41 | 0.44 |
| BUCKS | 0.04 | 0.05 | 0.03 | 0.04 | 0.03 | 0.03 | 0.03 | 0.04 | 0.04 | 0.04 | 0.03 | 0.03 | 0.04 |
| FVB | 2.29 | 3.04 | 2.24 | 1.79 | 1.74 | 1.61 | 1.70 | 1.80 | 1.83 | 1.84 | 1.75 | 1.66 | 1.92 |
| BASIC | 7.21 | 5.26 | 4.49 | 4.33 | 4.81 | 5.08 | 4.47 | 4.85 | 4.69 | 4.63 | 4.51 | 4.49 | 4.91 |
| BRISTOL | 0.23 | 0.20 | 0.25 | 0.22 | 0.18 | 0.19 | 0.18 | 0.23 | 0.20 | 0.22 | 0.21 | 0.20 | 0.22 |
| PLAYERS 25 | 0.04 | 0.04 | 0.04 | 0.05 | 0.05 | 0.04 | 0.04 | 0.04 | 0.04 | 0.04 | 0.05 | 0.04 | 0.04 |
| TOTAL DISCOUNT | 12.22 | 10.76 | 9.16 | 8.48 | 8.80 | 8.84 | 8.26 | 9.10 | 8.80 | 9.21 | 8.84 | 9.20 | 9.44 |
| TOTAL PM-USA | 50.72 | 49.02 | 43.30 | 40.08 | 41.01 | 43.04 | 48.86 | 44.96 | 43.89 | 43.50 | 41.54 | 41.32 | 42.54 |

Source: https://www.industrydocuments.ucsf.edu/docs/nhpk0000

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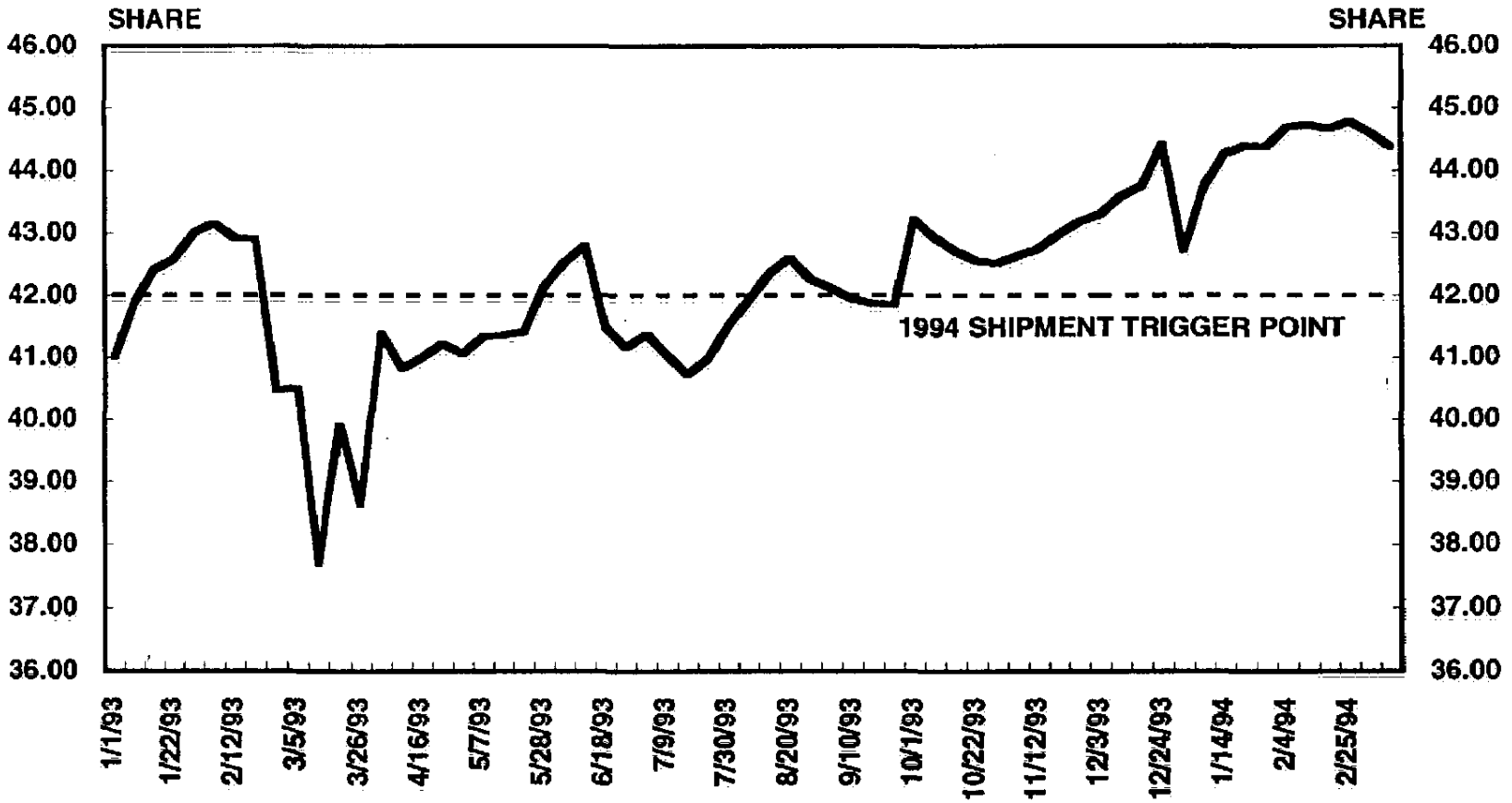
# PM SHARE OF MARKET
# 13 WEEK MOVING AVERAGE

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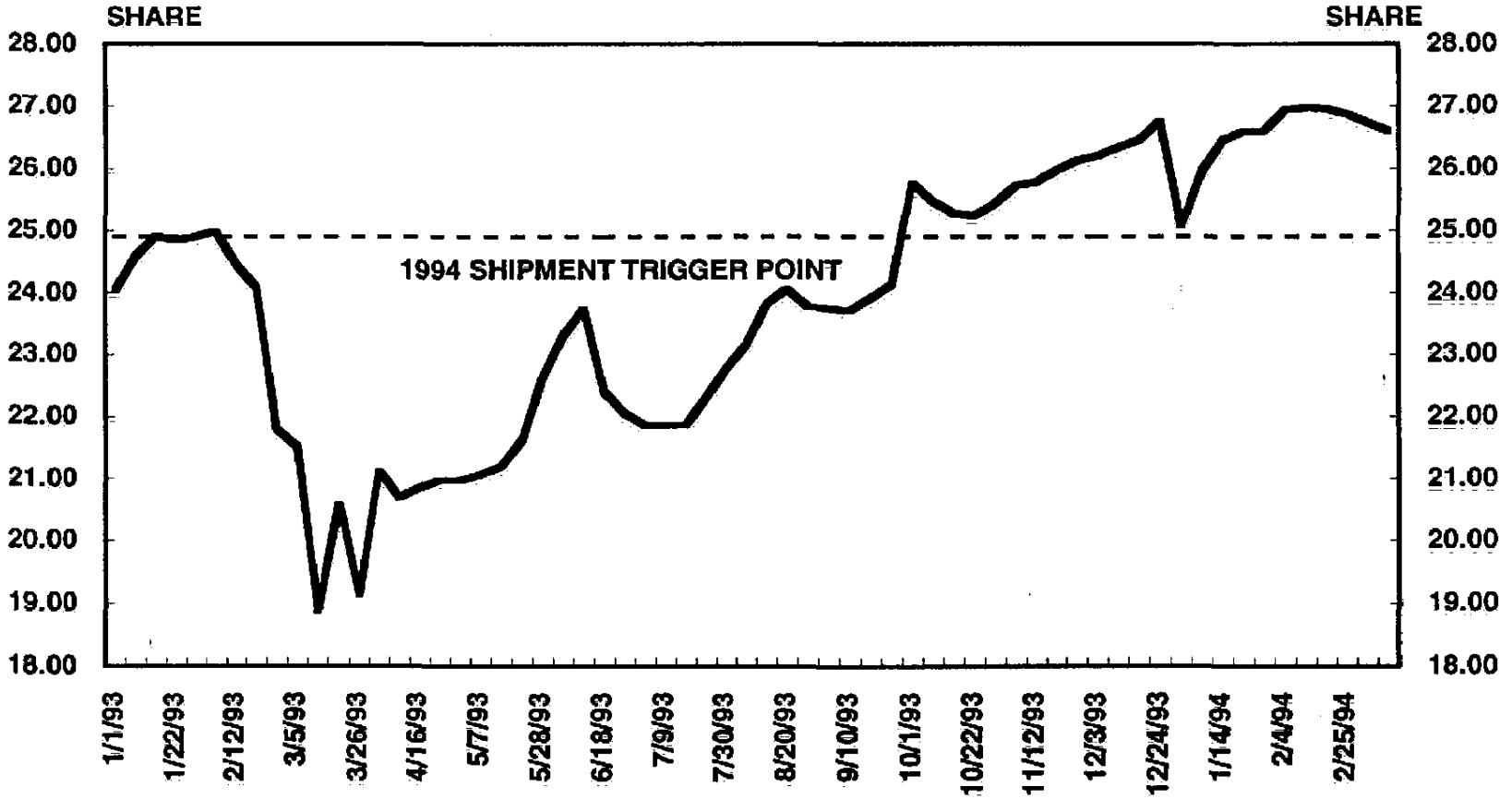
SOURCE: MSA SHIPMENTS

13WM BRANDS Chart 1

Source: https://www.industrydocuments.ucsf.edu/docs/nhpk0000

# MARLBORO SHARE OF MARKET
# 13 WEEK MOVING AVERAGE

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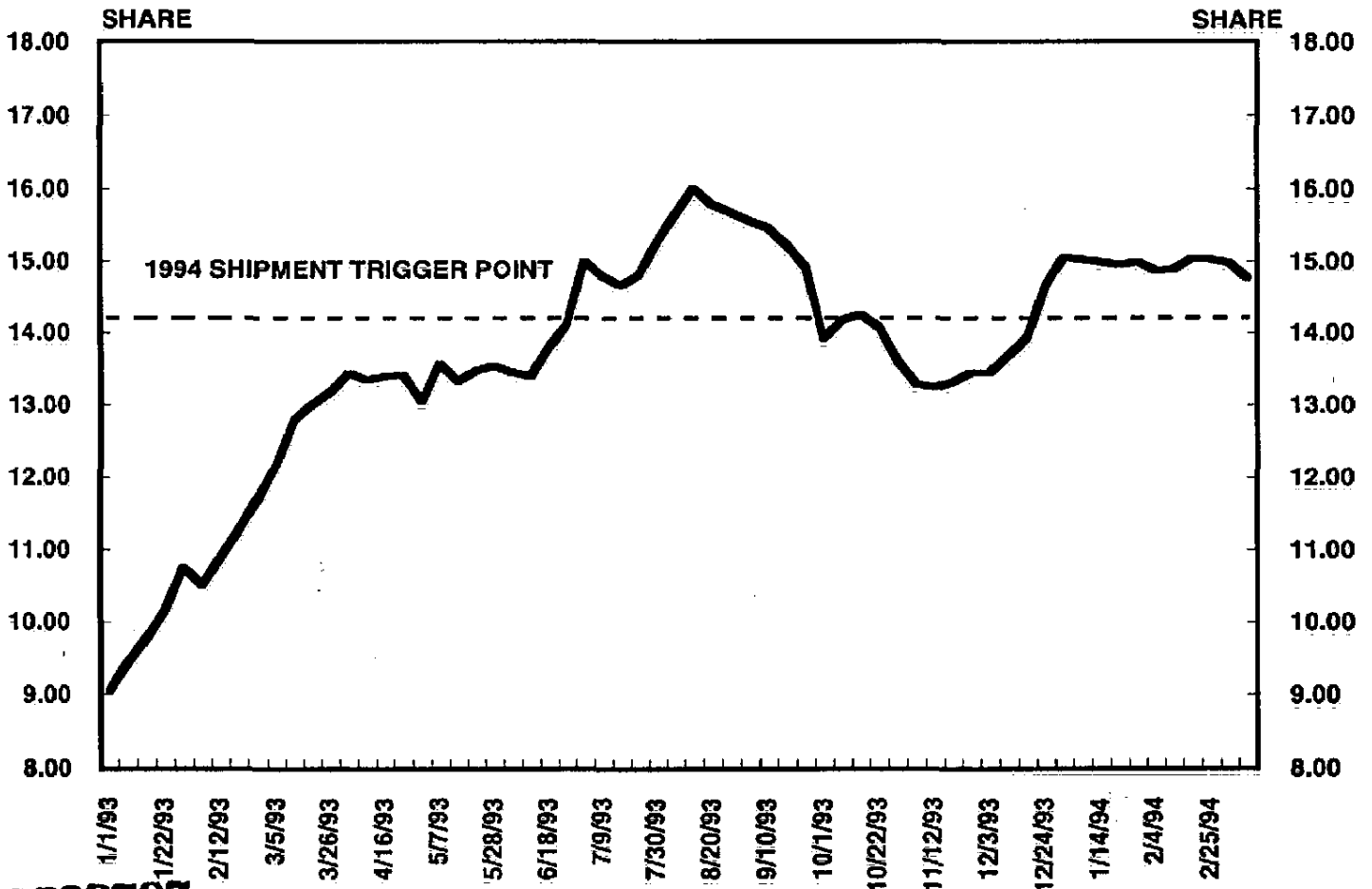
SOURCE: MSA SHIPMENTS

13WM BRANDS Chart 2

Source: https://www.industrydocuments.ucsf.edu/docs/nhpk0000

# BASIC SHARE OF DISCOUNT
# 13 WEEK MOVING AVERAGE

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Source: https://www.industrydocuments.ucsf.edu/docs/nhpk0000